

**THE OFFICE OF REGULATORY STAFF
DIRECT TESTIMONY & EXHIBITS
OF
GABY SMITH**

MARCH 23, 2018



DOCKET NO. 2018-2-E

**Annual Review of Base Rates for Fuel Costs for South
Carolina Electric & Gas Company**

1 **DIRECT TESTIMONY AND EXHIBITS OF**

2 **GABY SMITH**

3 **ON BEHALF OF**

4 **THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

5 **DOCKET NO. 2018-2-E**

6 **IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS FOR**

7 **SOUTH CAROLINA ELECTRIC & GAS COMPANY**

8

9 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

10 **A.** My name is Gaby Smith. My business address is 1401 Main Street, Suite 900,
11 Columbia, South Carolina 29201. I am employed by the State of South Carolina as an
12 Audit Manager, in the Audit Department of the South Carolina Office of Regulatory Staff
13 ("ORS").

14 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

15 **A.** I received a Bachelor of Science Degree in Accounting from the University of
16 South Carolina in May 2006. Prior to joining ORS, I held a variety of positions in finance,
17 accounting, and auditing. I began my employment as an auditor with ORS in July 2009
18 and have participated in various cases involving the regulation of electric,
19 telecommunication, water and wastewater utilities. I have previously testified before the
20 Public Service Commission of South Carolina ("Commission") on several Fuel Adjustment
21 Clause ("FAC") filings, as well as water, wastewater, and electric rate cases.

22 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

23 **A.** The purpose of my testimony is to present the results of ORS Audit Staff's

1 examination of the books and records pertaining to South Carolina Electric & Gas
2 Company's ("SCE&G" or "Company") operations under the FAC. The current fuel
3 examination covered the actual period of January 2017 through December 2017 ("actual
4 review period") and four (4) estimated months from January 2018 through April 2018
5 ("estimated review period").

6 **Q. WHAT WAS THE PURPOSE OF THIS EXAMINATION?**

7 **A.** The purpose of this examination was to verify that the Company's accounting
8 practices in computing and applying the monthly FAC comply with S.C. Code Ann. § 58-
9 27-865.

10 **Q. WHAT WAS THE SCOPE OF ORS'S EXAMINATION?**

11 **A.** ORS Audit Staff examined and verified the monthly fuel adjustment factor
12 calculations and the fuel recovery balances recorded in the Company's books and records.
13 The Audit Staff's examination consisted of the following:

14 1. Analyzing the Fuel Stock Account

15 ORS's analysis of the fuel stock account consisted of verifying receipts to and
16 issues from the fuel management system to the general ledger, examining monthly
17 fuel charges originating in fuel accounting, and ensuring that only proper charges
18 were entered in the Company's computation of fuel costs for purposes of adjusting
19 the base fuel factor.

20 2. Sampling Receipts to the Fuel Stock Account

21 ORS's review of receipts to the fuel stock account consisted of examining and
22 testing selected transactions which support additions to the account. Each selected
23 transaction examined was tested for mathematical accuracy and vouched to a

1 commodity received report, corresponding waybill, supplier invoice, and freight
2 study detail report. Transactions were then verified to a fuel management system
3 payment voucher to verify payment of the correct amount to the vendors.

4 3. Verifying Charges to Nuclear Fuel Expense

5 ORS verified the amounts of nuclear fuel expense to the books and records for the
6 actual review period. Additionally, the accuracy of these amounts was verified to
7 the Company's amortization schedules.

8 4. Verifying Purchased and Interchange Power Fuel Costs

9 ORS verified the Company's purchased and interchange power fuel cost, kilowatt-
10 hour ("kWh") purchases, and kWh sales for the actual review period to various
11 "energy received" and "energy delivered" summary reports, purchases, sales, and
12 interchange power schedules, and monthly invoices, on a sample basis. ORS
13 recomputed the Company's sales and purchases for the actual review period. The
14 purchased and interchange power amounts for the actual review period and the
15 resultant (over)/under-recovery monthly deferred fuel amounts for the period
reflect calculations that conform to S.C. Code Ann. § 58-27-865, the statute
16 addressing fuel costs related to purchased power. Subsection (A)(2)(b) of this
17 statute states that the total delivered cost of economy purchases, including, but not
18 limited to, transmission charges, are included in purchased power costs if those
19 purchases are "less than the purchasing utility's avoided variable costs for the
20 generation of an equivalent quantity of electric power." ORS verified economic
21 purchases were recorded at or less than the applicable avoided costs.

22 5. Verifying kWh Sales

1 ORS verified total system kWh sales, as filed in the monthly fuel factor
2 computation, to monthly class/rate summary reports for the actual review period.
3 The monthly kWh sales figures were then used to determine the fuel cost per kWh
4 sold and the monthly fuel cost adjustment factors.

5 6. Recalculating the Fuel Adjustment Factors and Verifying the Current Month
6 (Over)/Under Recovery

7 ORS recalculated the fuel cost adjustment factors for the actual review period
8 utilizing information obtained from the Company's records and verified these total
9 fuel costs to the Company's books and records. In recalculating the monthly
10 factors, ORS divided total fuel costs by total system kWh sales to arrive at fuel
11 costs per kWh sold. The base fuel cost per kWh was then subtracted from the actual
12 fuel cost per kWh sold to compute the current month (over)/under-recovery. The
13 actual current month (over)/under recoveries were then verified to the Company's
14 books and records.

15 7. Recalculating the True-up of the (Over)/Under-Recovered Fuel Costs

16 ORS analyzed and recomputed the cumulative (over)/under-recovery of the base
17 fuel costs for the actual review period and (over)/under-recovery for the estimated
18 review period. In addition, ORS recomputed the cumulative (over)/under-recovery
19 of environmental and avoided capacity costs for the actual and estimated review
20 periods as approved in Order No. 2017-246.

21 **Q. PLEASE EXPLAIN THE AUDIT EXHIBITS ATTACHED TO YOUR**
22 **TESTIMONY.**

23 **A.** ORS prepared the following audit exhibits from the Company's books and records:

1 **AUDIT EXHIBIT GS-1: TOTAL RECEIVED AND WEIGHTED AVERAGE**
2 **COST**

3 This audit exhibit details total received cost for the actual review period of \$516,825,377
4 for coal, #2 oil, and natural gas. ORS also computed the weighted average cost of each
5 type of fuel: coal (\$82.55 per ton), #2 oil (\$1.99 per gallon), and natural gas (\$3.57 per
6 thousand cubic feet ("MCF")).

7 **AUDIT EXHIBIT GS-2: RECEIVED COAL – COST PER TON COMPARISON**

8 This audit exhibit details the received cost per ton of coal for each month of the actual
9 review period for SCE&G, Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC.
10 For comparison purposes, ORS has shown the invoice cost per ton, freight cost per ton,
11 total cost per ton, and the cost per thousand British thermal units ("MBTU").

12 **AUDIT EXHIBIT GS-3: BURNED COST – CONSUMED GENERATION**

13 This audit exhibit details the per book cost of fuel burned for electric generation during the
14 actual review period. The burned cost of each class of fuel is shown separately along with
15 its percentage of total burned costs. These costs are used in the computations of the base
16 fuel cost component.

17 **AUDIT EXHIBIT GS-4: COST OF FUEL**

18 This audit exhibit details ORS's computation of the total fuel cost applicable to the fuel
19 recovery calculation. There are four (4) components included in this cost, and they are as
20 follows:

- 21 (1) Cost of Fuel Burned
22 (2) Fuel Cost of Purchased and Interchange Power
23 (3) Fuel Cost Recovered from Intersystem Sales

1 (4) Public Service Authority (“Santee Cooper”) Credits

2 Cost of Fuel Burned - This amount is the total cost of all fossil and nuclear fuel burned
3 during the actual review period and used in the base fuel component computation. A
4 detailed breakdown of coal, #2 oil, natural gas, and nuclear fuel can be seen in Audit
5 Exhibit GS-3.

6 Fuel Cost of Purchased and Interchange Power - This amount is the total fuel cost of
7 monthly kWh purchases from other electric utilities or power marketers.

8 Fuel Cost Recovered from Intersystem Sales - This amount is the total fuel cost recovery
9 related to kWhs sold during to other electric utilities or power marketers.

10 Public Service Authority Credits – This amount represents recovery of Santee Cooper’s
11 portion of the electric costs at the new nuclear construction site.

12 **AUDIT EXHIBIT GS-5: DETAILS OF THE COMPUTATION OF BASE FUEL
(OVER)/UNDER-RECOVERY**

14 This audit exhibit details the monthly (over)/under-recovery of base fuel cost computations
15 for the actual review period as well as fuel costs for the estimated review period. The
16 exhibit also shows the computations of the actual and estimated cumulative (over)/under-
17 recovery balances and various adjustments for January 2017 through April 2018.

18 **AUDIT EXHIBIT GS-6: TOTAL ENVIRONMENTAL COSTS**

19 This audit exhibit details the total environmental costs for the actual review period for
20 sulfur dioxide (“SO₂”) emission allowances, nitrogen oxide (“NOx”) emission allowances,
21 lime/limestone, and ammonia. Additionally, the percentage of total cost is shown for each
22 environmental component.

1 **AUDIT EXHIBIT GS-7: DETAILS OF THE COMPUTATION OF THE**
2 **(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL AND AVOIDED**
3 **CAPACITY COSTS**

4 This audit exhibit details the monthly (over)/under-recovery of environmental and avoided
5 capacity cost computations for the actual review period for SO₂ and NOx emission
6 allowances, lime/limestone, ammonia, avoided capacity costs, and estimates of these costs
7 for the estimated review period. The exhibit also shows the computation of the cumulative
8 (over)/under-recovery balances and various adjustments for January 2017 through April
9 2018.

10 Due to the enactment of 2014 S.C. Acts 236 (“Act 236”), the avoided capacity component
11 of certain purchased power costs are now required to be allocated and recovered as a
12 separate component of the overall fuel factor in the same manner as environmental costs.

13 **AUDIT EXHIBIT GS-8: DETAILS OF THE COMPUTATION OF THE**
14 **(OVER)/UNDER-RECOVERY OF DISTRIBUTED ENERGY RESOURCE**
15 **PROGRAM (“DERP”) AVOIDED COSTS**

16 This audit exhibit details the monthly (over)/under-recovery of DERP avoided cost
17 computations for the actual and estimated review periods. ORS agreed avoided cost
18 components to “bill credit agreement” reports, invoices, journal entry detail, revenue and
19 unbilled revenue reports. DERP avoided costs are further explained in the testimony of
20 ORS witness Johnson.

21 **AUDIT EXHIBIT GS-9: DETAILS OF THE COMPUTATION OF THE**
22 **(OVER)/UNDER RECOVERY OF DISTRIBUTED ENERGY RESOURCE**
23 **PROGRAM INCREMENTAL COSTS**

1 This audit exhibit details the monthly (over)/under-recovery DERP incremental cost
2 computations by month for the actual and estimated review periods. ORS tested selected
3 administrative and general expenses, and recalculated depreciation expense and carrying
4 cost computations. ORS also agreed incremental cost components to "net metering costs"
5 reports, invoices, journal entry detail, revenue and unbilled revenue reports. DERP
6 incremental costs are further explained in the testimony of ORS witness Johnson.

7 **Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE
8 CUMULATIVE (OVER)/UNDER-RECOVERY OF FUEL COSTS IN EXHIBIT
9 GS-5.**

10 A. ORS Audit Exhibit GS-5 provides details of ORS's calculation of the actual
11 cumulative under-recovery balance through December 2017, and the estimated over-
12 recovery balance through April 2018. The cumulative under-recovery amount as of
13 December 2017 totaled \$2,355,695. This amount includes several adjustments which are
14 discussed below. ORS then added SCE&G's estimated under-recoveries of \$53,056,195
15 for January 2018, \$3,522,231 for February 2018, \$2,394,603 for March 2018, and
16 \$3,765,128 for April 2018, and various Company adjustments to arrive at a cumulative
17 over-recovery of \$50,536,981 through April 2018. Company witness Rooks' testimony
18 (Exhibit No. ____ (AWR-1)) in this docket reports the same cumulative under-recovery total
19 through December 2017, and the same cumulative over-recovery total through April 2018
20 as calculated by ORS.

21 Q. **DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING
22 EITHER THE ACTUAL OR ESTIMATED REVIEW PERIODS FOR THE BASE
23 FUEL COMPONENT?**

1 A. Yes. The Company made the following adjustments as shown on Audit Exhibit
2 GS-5:

3 **Adjustment (1) – Fixed Capacity Charges**

4 The Company posted a monthly over-recovery adjustment of \$1,583,583 to the
5 computation of the base fuel (over)/under-recovery. This adjustment consists of the
6 Urquhart Plant and the Jasper Plant (Combined Cycle) monthly fixed capacity charges of
7 \$673,417 and \$910,166, respectively, which are treated, in accordance with Commission
8 Orders No. 2003-38 and No. 2005-2, on a retail basis, as over-recovery fuel entries.

9 **Adjustment (2) – PR-1 Energy Credits**

10 Due to the enactment of Act 236, purchased power avoided energy costs are now required
11 to be recovered through the FAC. A portion of purchased power avoided energy costs is
12 also currently being recovered in base rates. Therefore, the Company made monthly over-
13 recovery adjustments of \$691 to prevent double collection of this portion of avoided energy
14 costs.

15 **Adjustment (3) – Company Accounting Adjustments**

16 During the actual review period, the Company recorded the following adjustment:

17 **(3A)** – In March 2017, the company made an over-recovery adjustment of \$183,187 to
18 account for a true-up in fuel expenses billed by Kapstone for January and February 2017.

19 During the estimated review period, the Company recorded the following adjustments:

20 **(3B)** – In January 2018, the Company made an under-recovery adjustment of \$411,384 to
21 account for purchased power payments for October, November and December 2017 that
22 were inadvertently omitted.

1 **(3C)** – In February 2018, the Company made an over-recovery adjustment of \$113,739,272
2 to offset base fuel costs with a gain from interest rate swaps.

3 **Adjustment (4) – Unbilled Fuel Cost (Over)/Under-Recovery Adjustments**

4 In both the actual and estimated review periods, the Company reflects monthly adjustments
5 to account for the timing difference associated with kWh sales not yet billed due to the
6 cycle billing process, whereas the FAC process reflects all unbilled fuel transactions (sales
7 and costs) on a full monthly basis.

8 **Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE
9 CUMULATIVE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL AND
10 AVOIDED CAPACITY COSTS IN EXHIBIT GS-7:**

11 A. ORS Audit Exhibit GS-7 provides details of ORS's calculation of the cumulative
12 environmental and avoided capacity costs over-recovery balance of \$2,272,425 through
13 December 2017. ORS then added estimated under-recoveries of \$324,293 for January
14 2018, \$335,912 for February 2018, \$408,940 for March 2018, and \$267,642 for April 2018,
15 and various Company adjustments to arrive at a cumulative over-recovery balance of
16 \$1,051,097 through April 2018. Company witness Rooks' testimony (Exhibit No. ____
17 (AWR-4)) reports the cumulative environmental and avoided capacity costs over-recovery
18 total through December 2017 as \$2,272,425 and the over-recovery total through April 2018
19 as \$1,051,102. The variance between ORS and the Company's ending balance for April
20 2018 is due to rounding.

21 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING
22 EITHER THE ACTUAL OR THE ESTIMATED REVIEW PERIODS FOR THE
23 ENVIRONMENTAL AND AVOIDED CAPACITY COSTS COMPONENT?**

1 A. Yes. The Company made the following adjustments as shown on Audit Exhibit GS-
2 7:
3

3 **Adjustment (5) – PR-1 Capacity Credits**

4 Similar to Adjustment (2), avoided capacity costs are now also recovered through the FAC.
5 A portion of avoided capacity costs is also being recovered in base rates. Therefore, the
6 Company made monthly over-recovery adjustments of \$84 to prevent double collection of
7 this portion of avoided capacity costs.

8 **Adjustment (6) – Company Accounting Adjustment**

9 In March 2017, the Company made an over-recovery adjustment of \$3,631 to account for
10 a true-up in reagent expenses billed by Kapstone for the months of January and February
11 2017.

12 **Adjustment (7) – Unbilled Fuel Cost (Over)/Under-Recovery Adjustments**

13 As discussed for base fuel costs in Adjustment (4), the cycle billing process also affects the
14 recovery of environmental costs. The Company posted monthly adjustments throughout
15 the actual review period and the estimated review period to account for timing differences.

16 Q. **PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE
17 CUMULATIVE (OVER)/UNDER-RECOVERY OF THE DISTRIBUTED ENERGY
18 RESOURCE PROGRAM AVOIDED COSTS IN EXHIBIT GS-8.**

19 A. ORS Audit Exhibit GS-8 provides details of ORS's calculation of the cumulative
20 DERP avoided cost over-recovery balance of \$1,504,687 through December 2017. ORS
21 then added estimated under-recoveries of \$119,665 for January 2018, \$216,415 for
22 February 2018, \$336,503 for March 2018, and \$467,905 for April 2018, to arrive at a
23 cumulative over-recovery of \$479,920 as of April 2018. Company witness Rooks'

1 testimony (Exhibit No. ____ (AWR-6)) reports the over-recovery total through December
2 2017 as \$1,504,690, and through April 2018, reports a cumulative over-recovery total of
3 \$479,924. The variances between ORS and the Company's ending balances are due to
4 rounding.

5 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING
6 EITHER THE ACTUAL OR THE ESTIMATED REVIEW PERIODS FOR THE
7 DISTRIBUTED ENERGY RESOURCE AVOIDED COSTS COMPONENT?**

8 **A.** Yes. The Company made the following adjustments as shown on Audit Exhibit GS-
9 8:

10 **Adjustment (8) – Company Accounting Adjustments**

11 During the actual review period, the Company recorded the following adjustment:

12 **Adjustment (8A) – Final Billing**

13 In February 2017, the Company made an under-recovery adjustment of \$185 to reflect prior
14 year adjustments related to the excess net energy metering (“NEM”) credit payments due
15 to closing of customer accounts.

16 **Adjustment (8B) – Utility Scale Test Power**

17 In March 2017, the Company made an over-recovery adjustment of \$8,892 to account for
18 December 2016 utility scale test power that was inadvertently omitted from the calculation
19 during that month.

20 **Adjustment (8C) – Excess NEM Credits**

21 In August 2017, the Company made an over-recovery adjustment of \$263 to account for
22 July 2017 excess NEM credits that were inadvertently omitted during that month.

23 **Adjustment (9) – Unbilled Fuel Cost (Over)/Under-Recovery Adjustments**

1 As discussed for base fuel costs in Adjustment (4), the cycle billing process also affects the
2 recovery of DERP avoided costs. The Company posted monthly adjustments throughout
3 the actual review period and the estimated review period to account for timing differences.

4 **Q. PLEASE EXPLAIN ORS AUDIT STAFF'S COMPUTATION OF THE
5 CUMULATIVE (OVER)/UNDER-RECOVERY OF DISTRIBUTED ENERGY
6 RESOURCE PROGRAM INCREMENTAL COSTS IN EXHIBIT GS-9.**

7 A. ORS Audit Exhibit GS-9 provides details of ORS's calculation of the cumulative
8 DERP incremental cost under-recovery balance of \$798,037 through December 2017. ORS
9 then added an estimated over-recovery of \$167,876 for January 2018, estimated under-
10 recoveries of \$152,195 for February 2018, \$391,134 for March 2018, and \$697,793 for
11 April 2018 to arrive at a cumulative under-recovery of \$1,871,283 as of April 2018.
12 Company witness Rooks' testimony (Exhibit No. ____ (AWR-8)) reports the under-
13 recovery total through December 2017 as \$798,039 and through April 2018, a cumulative
14 under-recovery total of \$1,871,285. Variances between ORS and the Company's ending
15 balances for December 2017 and April 2018 are due to rounding.

16 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS DURING
17 EITHER THE ACTUAL OR THE ESTIMATED REVIEW PERIODS FOR THE
18 DISTRIBUTED ENERGY RESOURCE INCREMENTAL COSTS COMPONENT?**

19 A. Yes. The Company made the following adjustment as shown on Audit Exhibit GS-
20 9:

21 **Adjustment (10) – Unbilled Fuel Cost (Over)/Under-Recovery Adjustments**

1 As discussed for base fuel costs in Adjustment (4), the cycle billing process also affects the
2 recovery of DERP incremental costs. The Company posted monthly adjustments
3 throughout the actual review period to account for timing differences.

4 **Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?**

5 A. Based on ORS's examination of the Company's books and records, and the
6 Company's operations under the fuel cost recovery mechanism, ORS determined the
7 Company's accounting practices are in compliance with S.C. Code Ann. § 58-27-865.

8 Based on ORS's examination, ORS agrees with the following (over)/under-
9 recovery balances as stated by SCE&G:

- 10 • December 2017 fuel cost component under-recovery of \$2,355,695;
- 11 • December 2017 environmental and avoided capacity cost component over-
12 recovery balance of \$2,272,425;
- 13 • December 2017 DERP avoided cost component over-recovery balance of
14 \$1,504,690;
- 15 • December 2017 DERP incremental cost component under-recovery balance of
16 \$798,039;
- 17 • April 2018 estimated fuel cost component over-recovery of \$50,536,981;
- 18 • April 2018 estimated environmental and avoided capacity cost component
19 over-recovery balance of \$1,051,102;
- 20 • April 2018 estimated DERP avoided cost component over-recovery balance of
21 \$479,924;
- 22 • April 2018 estimated DERP incremental cost component under-recovery of
23 \$1,871,285.

1 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

2 A. Yes, it does.

Office of Regulatory Staff
Total Received and Weighted Average Cost
South Carolina Electric & Gas Company
For Year Ending December 2017
Docket No. 2018-2-E

<u>Month</u>	<u>Coal</u>	<u>#2 Oil</u>	<u>Natural Gas</u>	<u>Total Received</u>
				<u>Cost</u>
Jan-17	269,499	22,331,103	44,978	\$ 37,168,103
Feb-17	213,248	18,777,343	154,395	31,231,306
Mar-17	301,931	24,872,722	29,936	41,923,804
Apr-17	339,326	27,755,880	462,416	44,436,415
May-17	339,406	27,290,021	19,997	50,990,853
Jun-17	392,922	31,413,985	237,940	50,413,805
Jul-17	349,536	28,278,843	22,284	49,966,654
Aug-17	325,596	26,300,785	319,030	48,387,197
Sep-17	226,149	19,298,057	29,730	41,113,810
Oct-17	259,834	21,633,525	7,459	41,776,049
Nov-17	229,140	19,548,492	223,917	37,848,772
Dec-17	241,856	20,457,585	217,510	41,568,609
Total	3,488,443	\$ 287,958,341	\$ 3,529,072	\$ 516,825,377
Weighted Average Cost		\$ 82.55	\$ 1.99	\$ 3.57

**Office of Regulatory Staff
Received Coal - Cost Per Ton Comparison
South Carolina Electric & Gas Company
For Year Ending December 2017
Docket No. 2018-2-E**

Month	South Carolina Electric & Gas Company			Duke Energy Carolinas, LLC ¹			Duke Energy Progress, LLC ¹					
	Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton	Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton	Invoice Cost Per Ton	Freight Cost Per Ton	Total Cost Per Ton			
	\$	\$	\$	\$	\$	\$	\$	\$	\$			
Jan-17	54.30	28.56	82.86	3.26	47.21	26.81	74.02	3.00	47.12	29.41	76.53	3.05
Feb-17	56.57	31.49	88.06	3.45	45.72	33.10	78.82	3.19	46.95	34.88	81.83	3.25
Mar-17	54.73	27.65	82.38	3.23	45.78	30.15	75.93	3.08	47.56	33.10	80.66	3.19
Apr-17	54.98	26.82	81.80	3.21	46.53	28.40	74.93	3.01	48.24	35.08	83.32	3.32
May-17	55.37	27.29	82.66	3.25	45.95	28.11	74.06	3.01	49.24	32.91	82.15	3.28
Jun-17	54.08	25.87	79.95	3.14	47.14	30.44	77.58	3.12	49.79	32.16	81.95	3.21
Jul-17	53.87	27.03	80.90	3.18	46.81	27.05	73.86	2.98	48.23	30.13	78.36	3.11
Aug-17	53.63	27.14	80.77	3.18	46.04	26.85	72.89	2.93	48.90	31.41	80.31	3.13
Sep-17	54.64	30.70	85.34	3.35	46.35	27.59	73.94	2.96	48.47	31.50	79.97	3.13
Oct-17	54.95	28.31	83.26	3.29	45.76	28.90	74.66	3.04	48.81	32.77	81.58	3.21
Nov-17	55.31	30.31	85.62	3.39	47.00	27.68	74.68	3.08	48.40	30.29	78.69	3.11
Dec-17	54.89	29.69	84.58	3.32	47.97	29.04	77.01	3.13	43.45	30.80	74.25	2.92

¹ Total Cost per Ton information for Duke Energy Carolinas, LLC and Duke Energy Progress, LLC has not been audited as part of this docket.

Office of Regulatory Staff
Burned Cost - Consumed Generation
South Carolina Electric & Gas Company
For Year Ending December 2017
Docket No. 2018-2-E

<u>Month</u>	<u>Coal</u>	<u>#2 Oil</u>	<u>Natural Gas</u>	<u>Nuclear</u>	<u>Total Burned Cost</u>
Jan-17	\$ 18,480,115	48.24%	\$ 273,810	0.71%	\$ 4,748,976
Feb-17	\$ 14,413,265	45.79%	\$ 74,990	0.24%	\$ 12,646,226
Mar-17	\$ 9,359,312	29.64%	\$ 479,050	1.52%	\$ 16,999,527
Apr-17	\$ 22,669,532	57.19%	\$ 111,291	0.28%	\$ 15,852,714
May-17	\$ 17,648,293	42.61%	\$ 103,949	0.26%	\$ 23,662,974
Jun-17	\$ 20,517,700	47.41%	\$ 170,053	0.40%	\$ 18,602,691
Jul-17	\$ 20,607,764	44.06%	\$ 177,195	0.38%	\$ 21,516,796
Aug-17	\$ 21,043,165	45.00%	\$ 220,949	0.48%	\$ 21,407,950
Sep-17	\$ 20,532,239	44.77%	\$ 267,796	0.59%	\$ 21,749,066
Oct-17	\$ 14,381,653	36.64%	\$ 116,680	0.30%	\$ 20,128,314
Nov-17	\$ 14,486,495	39.45%	\$ 338,382	0.92%	\$ 17,830,856
Dec-17	\$ 20,611,059	44.55%	\$ 341,509	0.74%	\$ 20,666,008
Total	\$ 214,750,592	44.07%	\$ 2,675,654	0.55%	\$ 225,812,098
					46.34%
					\$ 44,074,147
					9.04%
					\$ 487,312,491

Office of Regulatory Staff
Cost of Fuel
South Carolina Electric & Gas Company
For Year Ending December 2017
Docket No. 2018-2-E

<u>Month</u>	<u>Cost of Fuel Burned</u>	<u>Fuel Cost of Purchased and Interchange Power</u>	<u>Fuel Cost Recovered from Intersystem Sales</u>	<u>Public Service Authority Credits</u>	<u>Total Fuel Costs</u>
Jan-17	\$ 38,310,331	\$ 14,226,443	\$ (471)	\$ (115,076)	\$ 52,421,227
Feb-17	31,476,606	10,551,690	(869)	(176,566)	41,850,861
Mar-17	31,571,758	13,712,124	(369)	(163,641)	45,119,872
Apr-17	39,640,271	14,326,240	(4,160)	(151,212)	53,811,139
May-17	41,415,216	21,233,432	(77)	(130,974)	62,517,597
Jun-17	43,278,297	14,271,323	(36,649)	(95,710)	57,417,261
Jul-17	46,768,503	16,775,168	(9,127)	(75,138)	63,459,406
Aug-17	46,759,586	16,779,408	(101)	(70,773)	63,468,120
Sep-17	45,860,048	8,073,707	0	(80,896)	53,852,859
Oct-17	39,249,096	7,725,328	(261)	(71,869)	46,902,294
Nov-17	36,720,521	6,829,627	(23,230)	(50,729)	43,476,189
Dec-17	46,262,258	7,388,679	(3,094)	(46,221)	53,601,622
Total	\$ 487,312,491	\$ 151,893,169	\$ (78,408)	\$ (1,228,805)	\$ 637,898,447

Office of Regulatory Staff
Details of the Computation of Base Fuel (Over)/Under-Recovery
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual											
	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017				
Fossil Fuel	\$ 33,502,901	\$ 27,134,481	\$ 26,837,889	\$ 38,633,537	\$ 41,415,216	\$ 39,290,444	\$ 42,301,755	\$ 42,672,064				
Nuclear Fuel	\$ 4,807,430	\$ 4,342,125	\$ 4,733,869	\$ 1,006,734	\$ 3,987,853	\$ 4,466,748	\$ 4,067,522					
Purchased & Interchange Power	\$ 14,226,443	\$ 10,551,690	\$ 13,712,124	\$ 14,326,240	\$ 21,233,432	\$ 14,271,323	\$ 16,775,168	\$ 16,779,408				
Less: Public Service Authority Credits	\$ (115,076)	\$ (176,566)	\$ (163,641)	\$ (151,212)	\$ (130,974)	\$ (95,710)	\$ (75,138)	\$ (70,773)				
Total Cost of Fuel Burned	\$ 52,421,698	\$ 41,851,730	\$ 45,120,241	\$ 53,815,299	\$ 62,517,674	\$ 57,453,910	\$ 63,468,533	\$ 63,468,221				
Less: Fuel Cost Recovered from Intersystem Sales	\$ (471)	\$ (869)	\$ (369)	\$ (4,160)	\$ (77)	\$ (36,649)	\$ (9,127)	\$ (101)				
Total Fuel Costs	\$ 52,421,227	\$ 41,850,861	\$ 45,119,872	\$ 53,811,139	\$ 62,517,597	\$ 57,417,261	\$ 63,459,406	\$ 63,468,120				
Total System kWh Sales Excluding Intersystem Sales	1,901,337,747	1,600,031,452	1,698,465,415	1,614,992,556	1,878,095,181	2,122,686,180	2,201,944,920	2,311,829,540				
Fuel Cost Per kWh Sales	\$ 0.027571	\$ 0.026156	\$ 0.026565	\$ 0.033320	\$ 0.033288	\$ 0.027049	\$ 0.028820	\$ 0.027454				
Less: Base Cost Per kWh Included in Rates	\$ 0.024450	\$ 0.024450	\$ 0.024450	\$ 0.024450	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510				
Fuel Adjustment Per kWh Retail kWh Sales	\$ 0.003112	\$ 0.00171	\$ 0.00212	\$ 0.00887	\$ 0.00878	\$ 0.00254	\$ 0.00431	\$ 0.00294				
Retail kWh Sales	1,823,334,783	1,533,662,952	1,622,730,287	1,541,510,584	1,798,436,550	2,034,006,200	2,106,803,711	2,216,642,073				
Current Month (Over)/Under-Recovery	\$ 5,688,805	\$ 2,622,564	\$ 3,440,188	\$ 13,673,199	\$ 15,790,273	\$ 5,166,376	\$ 9,080,324	\$ 6,516,928				
Cumulative (Over)/Under-Recovery- Prior Month	\$ (52,599,284)	\$ (46,501,572)	\$ (43,490,073)	\$ (42,780,037)	\$ (33,025,796)	\$ (20,125,036)	\$ (15,720,478)	\$ (11,736,893)				
Fixed Capacity Charges	(1) \$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)				
PR-1 Energy Credits	(2) \$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)				
Company Accounting Adjustments	(3) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Unbilled Base Fuel Cost (Over)/Under-Recovery Adjustments	(4) \$ 1,993,181	\$ 1,973,209	\$ (962,691)	\$ (2,334,684)	\$ (1,305,239)	\$ 822,456	\$ (3,512,465)	\$ (145,308)				
Cumulative (Over)/Under-Recovery	\$ (46,501,572)	\$ (43,490,073)	\$ (42,780,037)	\$ (33,025,796)	\$ (20,125,036)	\$ (15,720,478)	\$ (11,736,893)	\$ (6,549,547)				

*Explanations of Adjustments (1) - (4) are included in the testimony of Gaby Smith

Office of Regulatory Staff
Details of the Computation of Base Fuel (Over)/Under-Recovery
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual				Estimated			
	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
Fossil Fuel	\$ 42,549,101	\$ 34,636,647	\$ 32,655,733	\$ 41,618,576	\$ 61,025,823	\$ 34,608,475	\$ 30,481,475	\$ 27,824,475
Nuclear Fuel	\$ 3,310,947	\$ 4,632,449	\$ 4,064,788	\$ 4,643,411	\$ 4,643,682	\$ 4,267,000	\$ 4,727,000	\$ 4,570,000
Purchased & Interchange Power	\$ 8,073,707	\$ 7,725,328	\$ 6,829,627	\$ 7,388,679	\$ 45,127,272	\$ 11,955,000	\$ 10,925,000	\$ 13,081,000
Less: Public Service Authority Credits	\$ (86,896)	\$ (71,869)	\$ (50,729)	\$ (46,221)	\$ (48,475)	\$ (48,475)	\$ (48,475)	\$ (48,475)
Total Cost of Fuel Burned	\$ 53,852,859	\$ 46,902,555	\$ 43,499,419	\$ 53,604,716	\$ 110,748,031	\$ 50,732,000	\$ 46,085,000	\$ 45,427,000
Less: Fuel Cost Recovered from Intersystem Sales	\$ -	\$ (261)	\$ (23,230)	\$ (3,094)	\$ (22,375)	\$ (97,000)	\$ (182,000)	\$ (91,000)
Total Fuel Costs	\$ 53,852,859	\$ 46,902,294	\$ 43,476,189	\$ 53,601,622	\$ 110,725,656	\$ 50,665,000	\$ 45,903,000	\$ 45,336,000
Total System kWh Sales Excluding Intersystem Sales	\$ 2,086,471,117	\$ 1,934,431,766	\$ 1,617,299,848	\$ 1,782,086,169	\$ 2,258,859,940	\$ 1,918,300,000	\$ 1,770,700,000	\$ 1,690,000,000
Fuel Cost Per kWh Sales	\$ 0.025810	\$ 0.024246	\$ 0.026882	\$ 0.030078	\$ 0.049018	\$ 0.026422	\$ 0.025924	\$ 0.026226
Less: Base Cost Per kWh Included in Rates	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510	\$ 0.024510
Fuel Adjustment Per kWh Retail kWh Sales	\$ 0.00130	\$ (0.00026)	\$ 0.00237	\$ 0.00557	\$ 0.02451	\$ 0.00191	\$ 0.00141	\$ 0.00232
Retail kWh Sales	\$ 2,006,603,487	\$ 1,858,690,434	\$ 1,545,928,603	\$ 1,701,457,688	\$ 2,164,675,444	\$ 1,844,100,000	\$ 1,698,300,000	\$ 1,622,900,000
Current Month (Over)/Under-Recovery	\$ 2,608,585	\$ (483,260)	\$ 3,663,851	\$ 9,477,119	\$ 53,056,195	\$ 3,522,231	\$ 2,394,603	\$ 3,765,128
Cumulative (Over)/Under-Recovery-Prior Month	\$ (6,949,547)	\$ (2,694,536)	\$ (2,904,947)	\$ (2,634,094)	\$ 2,355,695	\$ 54,965,665	\$ (52,254,355)	\$ (50,559,824)
Fixed Capacity Charges	(1) \$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)	\$ (1,583,583)
PR-1 Energy Credits	(2) \$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)	\$ (691)
Company Accounting Adjustments	(3) \$ -	\$ -	\$ -	\$ -	\$ (B)	\$ 411,384 (C)	\$ (113,739,272)	\$ -
OPRS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unbilled Base Fuel Cost (Over)/Under-Recovery Adjustments	(4) \$ 3,230,700	\$ 1,857,123	\$ (1,808,724)	\$ (2,908,199)	\$ 592,492	\$ 4,581,295	\$ 884,202	\$ (2,158,011)
Carrying Costs	\$ -	\$ -	\$ -	\$ 5,143	\$ 134,173	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ (2,694,536)	\$ (2,904,947)	\$ (2,634,094)	\$ 2,355,695	\$ 54,965,665	\$ (52,254,355)	\$ (50,559,824)	\$ (50,536,981)

*Explanations of Adjustments (1) - (4) are included in the testimony of Gaby Smith

	December 2017	April 2018
Cumulative (Over)/Under Base Fuel Component (Audit Exhibit GS-5)	\$ 2,355,695	\$ (50,536,981)
Cumulative (Over)/Under Environmental and Avoided Capacity Component (Audit Exhibit GS-7)	\$ (2,272,425)	\$ (1,051,097)
Cumulative (Over)/Under DERP Avoided Cost Component (Audit Exhibit GS-8)	\$ (1,504,687)	\$ (479,920)
Cumulative (Over)/Under DERP Incremental Cost Component (Audit Exhibit GS-9)	\$ 798,037	\$ 1,871,283
Net Cumulative (Over)/Under Recovery Balance	\$ (623,380)	\$ (50,196,715)

Office of Regulatory Staff
Total Environmental Costs
South Carolina Electric & Gas Company
For Year Ending December 2017
Docket No. 2018-2-E

<u>Month</u>	<u>SO₂ Emission</u>	<u>NO_x Emission</u>	<u>Lime/Limestone</u>	<u>Ammonia</u>	<u>Total</u>
Jan-17	\$ 895	0.11%	\$ 583,149	69.06%	\$ 260,275
Feb-17	\$ 525	0.07%	\$ 500,949	70.92%	\$ 204,903
Mar-17	\$ 305	0.05%	\$ 470,985	77.87%	\$ 133,520
Apr-17	\$ 658	0.10%	\$ 355,935	52.17%	\$ 325,622
May-17	\$ 243	0.03%	\$ 560,892	61.26%	\$ 354,391
Jun-17	\$ 636	0.08%	\$ 689,983	71.34%	\$ 276,482
Jul-17	\$ 727	0.08%	\$ 650,799	67.53%	\$ 312,124
Aug-17	\$ 818	0.10%	\$ 608,733	76.32%	\$ 188,070
Sep-17	\$ 737	0.11%	\$ 556,094	79.76%	\$ 140,376
Oct-17	\$ 737	0.20%	\$ 624,345	166.94%	\$ 138,093
Nov-17	\$ 530	0.12%	\$ 357,390	82.53%	\$ 59,559
Dec-17	\$ 577	0.10%	\$ 449,994	74.91%	\$ 150,116
Totals	\$ 7,388	0.09%	\$ (373,608)	-4.35%	\$ 2,543,531
					29.62%
					\$ 8,586,559

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental and Avoided Capacity Costs
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual					
	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
\$ SO ₂ Emissions Allowances	\$ 895	\$ 525	\$ 305	\$ 658	\$ 243	\$ 636
\$ NOx Emissions Allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lime/Limestone	\$ 583,149	\$ 500,949	\$ 470,985	\$ 355,935	\$ 560,892	\$ 689,983
Ammonia	\$ 260,275	\$ 204,903	\$ 133,520	\$ 325,672	\$ 354,391	\$ 276,482
Sub-Total	\$ 844,319	\$ 706,377	\$ 604,810	\$ 682,215	\$ 915,526	\$ 967,101
Less: Environmental Costs	\$ -	\$ (61)	\$ -	\$ -	\$ (1,063)	\$ -
Recovered Inter-system Sales	\$ -					
Net Environmental Costs	\$ 844,319	\$ 706,316	\$ 604,810	\$ 682,215	\$ 915,526	\$ 966,033
Avoided Capacity Costs	\$ 21	\$ 33	\$ 16	\$ -	\$ -	\$ 121
Total Environmental and Avoided Capacity Costs	\$ 844,340	\$ 706,349	\$ 604,826	\$ 682,215	\$ 915,526	\$ 966,154
Retail Allocation Factor of Total Environmental Costs	96.78%	96.78%	96.78%	96.78%	96.78%	96.78%
Retail Share of Total Environmental Costs	\$ 817,152	\$ 683,605	\$ 585,351	\$ 660,248	\$ 886,046	\$ 935,044
Less: Amounts Billed to Retail Customers	\$ 445,856	\$ 367,229	\$ 385,022	\$ 361,216	\$ 592,481	\$ 692,292
(Over)/Under-Recovery-Current Month	\$ 371,296	\$ 316,376	\$ 200,329	\$ 299,032	\$ 293,565	\$ 242,752
Cumulative (Over)/Under-Recovery-Prior Month	\$ (3,904,943)	\$ (3,509,951)	\$ (3,169,159)	\$ (2,981,774)	\$ (2,805,187)	\$ (2,536,962)
PR-1 Capacity Credits	(5) \$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)
Company Accounting Adjustment	(6) \$ -	\$ -	\$ (3,631)	\$ -	\$ -	\$ -
ORS Accounting Adjustment	\$ -					
Unbilled Fuel Cost (Over)/Under-Recovery Adjustments	(7) \$ 23,780	\$ 24,500	\$ (9,229)	\$ (122,361)	\$ (25,256)	\$ 11,958
Cumulative (Over)/Under-Recovery	\$ (3,509,951)	\$ (3,169,159)	\$ (2,981,774)	\$ (2,805,187)	\$ (2,536,962)	\$ (2,282,336)

*Explanations of Adjustments (5) through (7) are included in the testimony of Gaby Smith.

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental and Avoided Capacity Costs
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual			Estimated				
	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
SO ₂ Emissions Allowances	\$ 737	\$ 737	\$ 737	\$ 530	\$ 577	\$ 686	\$ 355	\$ 316
NOx Emissions Allowances	\$ -	\$ (389,175)	\$ 15,567	\$ -	\$ -	\$ -	\$ -	\$ 189
Lime/Limestone	\$ 556,094	\$ 624,345	\$ 357,390	\$ 449,994	\$ 553,306	\$ 511,681	\$ 462,475	\$ 185,765
Ammonia	\$ 140,376	\$ 138,093	\$ 59,559	\$ 150,116	\$ 267,142	\$ 219,946	\$ 189,471	\$ 213,668
Sub-Total	\$ 697,207	\$ 374,000	\$ 433,046	\$ 600,687	\$ 821,134	\$ 731,982	\$ 652,262	\$ 399,622
Less: Environmental Costs Recovered InterSystem Sales	\$ -	\$ (160)	\$ (160)	\$ (160)				
Net Environmental Costs	\$ 697,207	\$ 374,000	\$ 433,046	\$ 600,687	\$ 821,134	\$ 731,822	\$ 652,102	\$ 399,462
Avoided Capacity Costs	\$ 38,915	\$ 34,563	\$ 32,306	\$ 78,015	\$ 224,567	\$ 273,745	\$ 350,810	\$ 415,975
Total Environmental and Avoided Capacity Costs	\$ 736,122	\$ 408,563	\$ 465,352	\$ 678,702	\$ 1,045,701	\$ 1,005,567	\$ 1,002,912	\$ 815,437
Retail Allocation Factor of Total Environmental Costs	96.78%	96.78%	96.78%	96.78%	96.83%	96.83%	96.83%	96.83%
Retail Share of Total Environmental Costs	\$ 712,419	\$ 395,407	\$ 450,368	\$ 656,848	\$ 1,012,552	\$ 973,691	\$ 971,120	\$ 789,588
Less: Amounts Billed to Retail Customers	\$ 683,768	\$ 618,206	\$ 499,608	\$ 569,818	\$ 688,259	\$ 637,779	\$ 562,180	\$ 521,946
(Over)/Under-Recovery-Current Month	\$ 28,651	\$ (222,799)	\$ (49,240)	\$ 87,030	\$ 324,293	\$ 335,912	\$ 408,940	\$ 267,642
Cumulative (Over)/Under-Recovery-Prior Month	\$ (2,120,157)	\$ (2,032,041)	\$ (2,221,965)	\$ (2,305,884)	\$ (2,272,425)	\$ (1,937,619)	\$ (1,519,730)	\$ (1,092,761)
PR-1 Capacity Credits	(5) \$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)	\$ (84)
Company Accounting Adjustment	(6) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustment	\$ -							
Unbilled Fuel Cost (Over)/Under-Recovery Adjustments	(7) \$ 59,549	\$ 32,959	\$ (34,595)	\$ (53,487)	\$ 10,597	\$ 82,061	\$ 18,113	\$ (225,894)
Cumulative (Over)/Under-Recovery	\$ (2,032,041)	\$ (2,221,965)	\$ (2,405,884)	\$ (2,272,425)	\$ (1,937,619)	\$ (1,519,730)	\$ (1,092,761)	\$ (1,051,097)

*Explanations of Adjustments (5) through (7) are included in the testimony of Gaby Smith.

Office of Regulatory Staff

Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs

South Carolina Electric & Gas Company

January 2017 - April 2018

Docket No. 2018-2-E

	Actual							
	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017
BCA Avoided Costs	\$ 10,597	\$ 13,111	\$ 21,370	\$ 24,456	\$ 34,814	\$ 40,330	\$ 46,520	\$ 55,324
Utility Scale Avoided Costs	\$ 39,577	\$ 51,944	\$ 59,325	\$ 63,177	\$ 114,684	\$ 199,994	\$ 249,764	\$ 309,237
Community Solar Avoided Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess NEM Avoided Cost Payments	\$ -	\$ 95	\$ 109	\$ 176	\$ -	\$ -	\$ 280	\$ 152
Total Avoided Costs	\$ 50,174	\$ 65,150	\$ 80,804	\$ 87,809	\$ 149,498	\$ 240,604	\$ 296,284	\$ 364,713
Less: Amounts Billed to Customers	\$ 201,638	\$ 165,562	\$ 173,273	\$ 162,219	\$ 195,974	\$ 228,250	\$ 239,268	\$ 252,406
(Over)/Under-Recovery-Current Month	\$ (151,464)	\$ (100,412)	\$ (92,469)	\$ (74,410)	\$ (46,476)	\$ 12,354	\$ 57,016	\$ 112,307
(Over)/Under-Recovery-Prior Month	\$ (1,709,006)	\$ (1,849,393)	\$ (1,938,179)	\$ (2,025,976)	\$ (2,116,753)	\$ (2,171,274)	\$ (2,154,841)	\$ (2,117,924)
Company Accounting Adjustments	(8) \$ - (A) \$ 185	(B) \$ 8,892	\$ -	\$ -	\$ -	\$ -	- (C) \$ 263	
Unbilled Avoided Cost Adjustments	(9) \$ 11,077	\$ 11,441	\$ (4,220)	\$ (16,367)	\$ (8,045)	\$ 4,079	\$ (20,099)	\$ (414)
(Over)/Under-Recovery Cumulative Balance	\$ (1,849,393)	\$ (1,938,179)	\$ (2,025,976)	\$ (2,116,753)	\$ (2,171,274)	\$ (2,154,841)	\$ (2,117,924)	\$ (2,005,768)

	Estimated							
	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
BCA Avoided Costs	\$ 50,489	\$ 50,631	\$ 44,521	\$ 38,480	\$ 42,034	\$ 55,834	\$ 84,279	\$ 121,583
Utility Scale Avoided Costs	\$ 322,727	\$ 288,575	\$ 199,825	\$ 219,328	\$ 303,855	\$ 370,397	\$ 437,978	\$ 519,335
Community Solar Avoided Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess NEM Avoided Cost Payments	\$ 116	\$ 555	\$ 67,489	\$ 9	\$ 51	\$ -	\$ -	\$ -
Total Avoided Costs	\$ 373,332	\$ 339,761	\$ 311,835	\$ 257,817	\$ 345,940	\$ 426,231	\$ 522,257	\$ 640,918
Less: Amounts Billed to Customers	\$ 225,416	\$ 204,279	\$ 165,525	\$ 188,046	\$ 226,275	\$ 209,816	\$ 185,754	\$ 173,013
(Over)/Under-Recovery-Current Month	\$ 147,916	\$ 135,482	\$ 146,310	\$ 69,771	\$ 119,665	\$ 216,415	\$ 336,503	\$ 467,905
(Over)/Under-Recovery-Prior Month	\$ (2,005,768)	\$ (1,838,679)	\$ (1,692,495)	\$ (1,557,231)	\$ (1,504,687)	\$ (1,381,587)	\$ (1,138,585)	\$ (796,383)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unbilled Avoided Cost Adjustments	(9) \$ 19,173	\$ 10,702	\$ (11,046)	\$ (17,227)	\$ 3,435	\$ 26,587	\$ 5,699	\$ (151,442)
(Over)/Under-Recovery Cumulative Balance	\$ (1,838,679)	\$ (1,692,495)	\$ (1,557,231)	\$ (1,504,687)	\$ (1,381,587)	\$ (1,138,585)	\$ (796,383)	\$ (479,920)

*Explanations of Adjustments (8) through (9) are included in the testimony of Gaby Smith.

Office of Regulatory Staff

Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual					
	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017
NEM Incentive	\$ 140,765	\$ 182,508	\$ 232,033	\$ 244,329	\$ 361,255	\$ 532,188
NEM Future Benefits	\$ 15,507	\$ 22,418	\$ 31,473	\$ 36,963	\$ 5,458	\$ 5,775
NEM PBI	\$ 15,644	\$ 20,643	\$ 27,052	\$ 29,427	\$ 33,936	\$ 33,105
DER Depreciation Costs	\$ 17,701	\$ 17,714	\$ 17,732	\$ 19,726	\$ 19,735	\$ 19,734
BCA Incentive	\$ 36,598	\$ 48,048	\$ 81,071	\$ 92,171	\$ 118,979	\$ 134,583
Community Solar	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Scale Incentive	\$ 10,543	\$ 13,587	\$ 15,684	\$ 16,577	\$ 17,658	\$ 26,354
Administrative and General Expenses	\$ 228,051	\$ 164,522	\$ 149,668	\$ 166,925	\$ 175,667	\$ 234,166
Carrying Costs	\$ 17,883	\$ 18,167	\$ 18,407	\$ 20,534	\$ 20,841	\$ 17,978
Total Incremental Costs	\$ 482,692	\$ 487,607	\$ 573,120	\$ 626,652	\$ 753,529	\$ 1,003,883
Less: Amounts Billed to Customers	\$ 363,110	\$ 362,545	\$ 363,970	\$ 364,219	\$ 916,714	\$ 917,568
(Over)/Under-Recovery-Current Month	\$ 119,582	\$ 125,062	\$ 209,150	\$ 262,433	\$ (163,185)	\$ 86,315
(Over)/Under-Recovery-Prior Month	\$ 698,707	\$ 835,110	\$ 950,865	\$ 1,174,200	\$ 1,415,292	\$ 1,004,882
Company Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unbilled DERP Incremental Adj.	(10) \$ 16,821	\$ (9,307)	\$ 14,185	\$ (21,341)	\$ (247,225)	\$ 49,416
Cumulative (Over)/Under Recovery Balance	\$ 835,110	\$ 950,865	\$ 1,174,200	\$ 1,415,292	\$ 1,004,882	\$ 1,140,613
						\$ 1,191,155
						\$ 1,307,336
						\$ (4,026)

*Explanation of Adjustment (10) is included in the testimony of Gaby Smith.

Office of Regulatory Staff

Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
South Carolina Electric & Gas Company
January 2017 - April 2018
Docket No. 2018-2-E

	Actual			Estimated		
	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018
NEM Incentive	\$ 524,911	\$ 418,110	\$ 336,056	\$ 302,705	\$ 339,191	\$ 531,289
NEM Future Benefits	\$ 5,365	\$ 5,046	\$ 4,292	\$ 3,746	\$ 4,110	\$ 5,661
NEM PBI	\$ 27,253	\$ 25,002	\$ 20,101	\$ 16,869	\$ 17,643	\$ 24,007
DER Depreciation Costs	\$ 23,306	\$ 26,838	\$ 28,779	\$ 28,816	\$ 28,852	\$ 29,607
BCA Incentive	\$ 169,807	\$ 164,951	\$ 145,366	\$ 126,048	\$ 143,734	\$ 198,297
Community Solar	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Scale Incentive	\$ 70,644	\$ 63,101	\$ 48,307	\$ 46,459	\$ 73,048	\$ 89,045
Administrative and General Expenses	\$ 121,459	\$ 81,784	\$ 116,871	\$ 206,445	\$ 122,974	\$ 168,000
Carrying Costs	\$ 19,946	\$ 22,875	\$ 24,284	\$ 23,780	\$ 26,466	\$ 30,183
Total Incremental Costs	\$ 962,691	\$ 807,707	\$ 724,056	\$ 754,868	\$ 756,018	\$ 1,076,089
Less: Amounts Billed to Customers	\$ 917,611	\$ 918,558	\$ 919,195	\$ 921,121	\$ 923,894	\$ 923,894
(Over)/Under-Recovery-Current Month	\$ 45,080	\$ (110,851)	\$ (195,139)	\$ (166,253)	\$ (167,876)	\$ 152,195
(Over)/Under-Recovery-Prior Month	\$ 1,307,336	\$ 1,357,899	\$ 1,217,134	\$ 960,840	\$ 798,037	\$ 630,161
Company Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unbilled DERP Incremental Adj.	(10) \$ 5,483	\$ (29,914)	\$ (61,155)	\$ 3,450	\$ -	\$ -
Cumulative (Over)/Under Recovery Balance	\$ 1,357,899	\$ 1,217,134	\$ 960,840	\$ 798,037	\$ 630,161	\$ 782,356
						\$ 1,173,490
						\$ 1,871,283

*Explanation of Adjustment (10) is included in the testimony of Gaby Smith.